

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT District Attorney	(2) MEETING DATE June 13, 2006	(3) CONTACT/PHONE Daniel A. Hilford, Assistant District Attorney (805) 781-5800	
(4) SUBJECT Request to approve a Resolution to participate in the State's Workers' Compensation Insurance Fraud Program for Fiscal Year 2006-07.			
(5) SUMMARY OF REQUEST The State Department of Insurance administers the distribution of funds appropriated by the Legislature for investigation and prosecution of Workers' Compensation Insurance Fraud programs. Requests for application for these funds were distributed to local District Attorneys to provide enhanced efforts to combat Workers' Compensation Insurance Fraud. It is recommended that our Board enter into an agreement to participate in this program.			
(6) RECOMMENDED ACTION It is recommended that your Board approve the attached Resolution to authorize the District Attorney's Office, on behalf of the Board of Supervisors, to execute the attached Grant Award Agreement and any extensions or amendments of the Workers' Compensation Fraud Investigation and Prosecution Program.			
(7) FUNDING SOURCE(S) State Department of Insurance	(8) CURRENT YEAR COST \$62,607	(9) ANNUAL COST \$74,186	(10) BUDGETED? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): This item has been reviewed by the Administrative Office and County Counsel.			
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____			
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th <input checked="" type="checkbox"/> All	(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(15) Maddy Act Appointments Signed-off by Clerk of the Board N/A	
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)		(17) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A	
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input type="checkbox"/> N/A		(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____		(21) W-9 <input type="checkbox"/> No <input type="checkbox"/> Yes	(22) Agenda Item History N/A Date April 12, 2005
(23) ADMINISTRATIVE OFFICE REVIEW <i>original signed</i>			

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6-13-06

Gerald T. Shea
District Attorney

Daniel A. Hilford
Assistant District Attorney

Stephen F. Brown
Chief Deputy District Attorney

OFFICE OF THE DISTRICT ATTORNEY
County of San Luis Obispo



MEMORANDUM

TO: BOARD OF SUPERVISORS

FROM: GERALD T. SHEA, DISTRICT ATTORNEY

DATE: JUNE 13, 2006

SUBJECT: REQUEST TO APPROVE A RESOLUTION TO PARTICIPATE IN THE
STATE'S WORKERS' COMPENSATION INSURANCE FRAUD
PROSECUTION AND INVESTIGATION PROGRAM FOR FISCAL YEAR
2006-07

Recommendation

It is recommended that your Board approve the attached Resolution to authorize the District Attorney's Office, on behalf of the Board of Supervisors, to execute the attached Grant Award Agreement and any extensions or amendments of the Workers' Compensation Fraud Investigation and Prosecution Program.

Discussion

In 1991, the California Legislature found that Workers' Compensation Insurance fraud harms employers by contributing to the increasingly high cost of insurance and harms employees by undermining the perceived legitimacy of all Workers' Compensation claims. The prevention of fraud will reduce claim payments resulting in a reduction in Workers' Compensation costs. Prevention of fraud will assist in restoring confidence in the system and will expedite compensation for employees injured at the work place. To this end, the Legislature approved Section 1872.83 of the California Insurance Code administered by the California Department of Insurance. It provides for an annual assessment by the Fraud Assessment Commission for programs which enhance Workers' Compensation fraud investigations and prosecutions.

The San Luis Obispo County District Attorney's Office has participated in this grant program since fiscal year 1992-93. Over the years, approximately one-third of a District Attorney Investigator position and one-tenth of a Deputy District Attorney position have been funded from this state grant. The positions have been assigned to work with law enforcement and the California Department of Insurance to investigate and prepare workers' compensation fraud cases for prosecution. This is an ongoing program in the District Attorney's Office.

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Other Agency Involvement

This item has been reviewed by the Administrative Office and County Counsel.

Financial Considerations

The requested grand funding for fiscal year 2006-07 totals \$74,186 which is higher than the 2005-06 level of \$62,607. The increase in the request reflects a higher level of time commitment for the assigned District Attorney Investigator and overhead charges. These grant funds are administered by the State Department of Insurance. There is no sunset clause on the legislation. The District Attorney's Office has administered this program since fiscal year 1992-93. If funds are no longer available to the county at some future date, all costs associated with this program will be eliminated. Revenue from this grant was included in the Department's 2006-07 budget.

Results

The renewal of this grant will enable the District Attorney's Office to continue to investigate and prosecute Workers' Compensation fraud cases for San Luis Obispo County. Historically, this office has had numerous referrals for prosecution for Workers' Compensation fraud. In fiscal year 2002-03, eight new cases were investigated. In 2003-04, there were ten new cases investigated. In 2004-05, there were six new cases investigated. In 2005-06, so far, there have been five new investigations and we are projecting ten to twelve new investigations in 2006-07.

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IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Tuesday

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

**RESOLUTION APPROVING GRANT APPLICATION FOR
WORKERS' COMPENSATION FRAUD INVESTIGATION
AND PROSECUTION PROGRAM**

The following resolution is hereby offered and read:

WHEREAS, the County of San Luis Obispo Board of Supervisors desires to undertake a certain program designated Workers' Compensation Fraud Investigation and Prosecution Program to be funded in part from funds made available through California Insurance Code Section 1872.83, California Code of Regulations, Subchapter 9, Article 3, Section 2698.55, and administered by the California Department of Insurance (hereafter referred to as CDI).

NOW, THEREFORE, BE IT RESOLVED that the District Attorney of the County of San Luis Obispo is authorized to submit the attached proposal to California Department of Insurance and is authorized to execute, on behalf of the Board of Supervisors, the Grant Award Agreement including any extension or amendments thereof.

BE IT FURTHER RESOLVED that the grant funds received hereunder shall not be used to supplant expenditures controlled by this body.

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Upon motion of Supervisor _____, seconded by

_____, and on the following roll call vote, to-wit:

AYES:
NOES:
ABSENT:

the foregoing resolution is hereby adopted.

Chairperson of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel
San Luis Obispo County

ATTEST:

JULIE L. RODEWALD
Clerk of the Board of Supervisors

By: [Signature]
Deputy County Counsel

By: _____
Deputy Clerk

Dated: 6/2/06

STATE OF CALIFORNIA,)
County of San Luis Obispo) : ss.

I, _____, County Clerk and ex-officio
Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of
California, do hereby certify the foregoing to be a full, true and correct copy of an order
made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this _____
day of _____, 20_____.

(SEAL)

County Clerk and Ex-Officio Clerk
of the Board of Supervisors

By _____
Deputy Clerk

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